THE HYDERABAD KHADI AND VILLAGE INDUSTRIES BOARD ACT, 1955.

No. XII of 1955.

CONTENTS.

Preamble.

Sections.

CHAPTER I

Preliminary.

1. Short title, extent and commencement.
2. Definitions.

CHAPTER II

Establishment and Constitution of the Board.

3. Establishment.
4. Constitution.
5. Vice-Chairman.
6. Functions of the Chairman and Vice-Chairman.
7. Term of Office of Members.
8. Resignation.
9. Allowance to non-official members.
10. Secretary.
11. Committees.
12. Disqualification for appointment on Board.
13. Removal and suspension of members.
14. Filling in vacancies.
15. Vacancy or defect not to invalidate proceedings.
16. Meetings of the Board.

CHAPTER III

Functions and Powers of the Board.

17. Functions of the Board.
18. Powers of the Board.

CHAPTER IV

Office, Officers and Servants of the Board.

19. Office.

20. Officers and servants.

21. Functions and duties of officers and servants.

22. Pay and conditions of service of the Secretary and other officers and servants.

CHAPTER V

Property, Finance, Contracts, Audit and Returns.

23. Transfer of property by Government to Board.

24. Expenditure and Contracts made before the Establishment of the Board.

25. Contracts by the Board.

26. Fund of the Board.

27. Application of fund and property.

28. Annual programme and Establishment Schedule.

29. Budget.

30. Sanction of Budget.

31. Supplementary programme and Budget.

32. Annual Report.

33. Further reports on Statistics and Returns.

34. Accounts and Audit.

CHAPTER VI

Miscellaneous.

35. Directions by Government.

36. Members, Officers and servants to be public servants.

37. Rules.

38. Powers to make regulations.

39. Saving.

40. Repeal of Hyderabad Ordinance, II of 1955.

* THE HYDERABAD KHADI AND VILLAGE INDUSTRIES BOARD ACT, 1955.

No. XII of 1955.

An Act to provide for the incorporation and establishment of a Board for encouraging and organising Khadi and Village Industries in Hyderabad.

Preamble.

WHEREAS it is expedient to incorporate and establish a Board for encouraging and organising Khadi and Village Industries in Hyderabad ;

BE it enacted in the Sixth Year of Our Republic as follows:—

CHAPTER I.

Preliminary.

Short title, extent and commencement.

1. (1) This Act may be called the Hyderabad Khadi and Village Industries Board Act, 1955.

(2) It extends to the whole of the State of Hyderabad.

(3) It shall be deemed to have come into force on the 18th day of July, 1955.

Definitions.

2. In this Act, unless there is anything repugnant to the subject or context,—

(a) 'Board' means the Hyderabad Khadi and Village Industries Board established under section 3 ;

(b) 'Chairman', 'Vice-Chairman', 'Secretary' and 'Member' means respectively, the Chairman, Vice-Chairman, Secretary and Member of the Board ;

(c) 'Khadi' means any handloom cloth woven by hand from yarn handspun in India and certified by the All India Khadi and Villages Industries Board or its representative;

(d) 'Prescribed' means prescribed by rules made under this Act; and

(e) 'Village industries' includes such industries as may be recommended from time to time by the Khadi and Village Industries Board appointed by the Central Government and such other industries as may be determined by the Board to be village industries.

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* Published in Gazette Extraordinary No. (131), dated 28th. October, 1955.

CHAPTER II.

Establishment and Constitution of the Board.

Establishment.

3. (1) As soon as may be after the coming into force of this Act, the Government shall, by a notification in the Official Gazette, establish for the purposes of this Act a Board to be called the Hyderabad Khadi and Village Industries Board.

(2) The Board shall be a body corporate by the name aforesaid having perpetual succession and a common seal with power to acquire, hold and dispose of property, both movable and immovable, to contract and to do all things, incidental to and necessary for the purposes of this Act, and shall by the said name sue and be sued through the Secretary.

Constitution.

4. The Board shall consist of the following:—

(a) The Minister-in-charge of the Comerce and Industries Department in the Government for the time being, who shall ex-officio be the Chairman; and

(b) Such members including the non-official members as may, from time to time, be appointed by the Government by notification in the Official Gazette.

Vice-Chairman.

5. (1) The Vice-Chairman shall be elected by the Members from amongst themselves in the prescribed manner.

(2) Subject to the provisions of sub-section (3) the Vice-Chairman shall hold office so long as he is a member.

(3) The Vice-Chairman may resign his office by a letter addressed to the Chairman or may be removed by a resolution passed by a majority of the non-official members of which not less than fourteen clear days' notice shall be given to all non-official members.

Functions of the Chairman and Vice-Chairman.

6. (1) The Chairman shall exercise such powers and discharge such duties as may be conferred on him by or under this Act.

(2) The Vice-Chairman shall exercise such of the powers and discharge such of the duties of the Chairman as may be prescribed or as may, from time to time, be delegated to him by the Board.

Term of Office of Members.

7. The term of office of non-official members, shall be such as may be prescribed.

Resignation.

8. Any non-official member may at any time, resign his office by giving notice thereof in writing to the Government and, on such resignation being accepted by the Government shall be deemed to have vacated his office.

Allowance to non-official members.

9. Non-official members shall be paid from the fund of the Board such allowances as may be prescribed.

Secretary.

10. (1) The Government shall appoint a Secretary, who shall be from among non-official members, to the Board who shall exercise such powers and perform such duties as may be prescribed or as may, from time to time, be delegated to him by the Board or the Chairman.

(2) The Secretary shall be an officer of the Board, whole time or part time, as the Government may direct.

Committees.

11. (1) The Board may constitute an Executive Committee consisting of not more than five members including the Vice-Chairman, to exercise such powers and discharge such duties as the Board may determine by regulations or as may be prescribed.

(2) The Vice-Chairman shall be ex-officio Chairman of the Executive Committee.

(3) Subject to such restrictions, if any, as may be prescribed, the Board may constitute Standing Committees or Ad-hoc Committees for exercising any power or discharging any duty of the Board or for enquiring into a reporting and advising on any matter which the Board may refer to them.

(4) A Standing Committee shall consist exclusively of members.

(5) An Ad-hoc Committee may include persons who are not members but their number shall not exceed one-half of the total number of members.

Disqualification for appointment on Board.

12. (1) A person shall be disqualified for being appointed, or for continuing, as a member if he—

(a) holds any office or place of profit under the Board;

(b) is found to be a lunatic or becomes of unsound mind;

(c) is, or at any time has been, adjudicated insolvent;

(d) has directly or indirectly by himself, by his wife or son, or by any partner, any share or interest in any subsisting contract or employment with by or on behalf of the Board.

(2) A person shall not be disqualified—

(i) under clause (a) of sub-section (1) by reason only of his being a member receiving allowance as provided in Section 9;

(ii) under clause (d) of sub-section (1) by reason only of his, or of the incorporated company or of a co-operative society of which he is a Director, Secretary, Manager or other salaried officer having, a share or interest in any newspaper, in which any advertisement relating to any affairs of the Board is inserted; or by reason only of his being a shareholder of a company or society having any such share or interest as is referred to in either of those two clauses:

Provided that such person discloses to the Government the nature and extent of the share held by him from time to time.

Removal and suspension of members.

13. (1) The Government may remove from the Board any member, who in its opinion,—

(a) refuses to act; or

(b) has beome incapable of acting; or

(c) has so abused his position as a member as to render his continuance on the Board detrimental to the interests of the public or of the Board; or

(d) is absent without permission from four successive meetings of the Board; or

(e) ceases to reside in the State of Hyderabad; or

(f) is otherwise unsuitable to continue as a member.

(2) The Government may suspend any member pending an inquiry against him in connection with his proposed removal.

(3) No order of removal under sub-section (1) shall be made unless the member concerned has been given an opportunity to submit his explanation to the Government with reference to the grounds of his proposed removal.

(4) A member who has been removed under sub-section (1) shall not be eligible for reappointment as a member.

Filling in vacancies.

14. When a member dies, or resigns under section 8 or is removed under section 13, or when any member is subject to any of the disqualifications specified in section 12, his office shall vacate and any vacancy so occurring shall be filled in by the Government as early as practicable:

Provided that during any such vacancy the continuing members may act as if no vacancy had occurred.

Vacancy or defect not to invalidate proceedings.

15. No act or proceeding of the Board under this Act shall be questioned on the ground merely of the existence of any vacancy in, or defect in the appointment of a member or in the constitution of the Board:

Provided that the Board shall not act or take any proceeding at any time when, by reason of any vacancy occurring the number of continuing non-official members is less than one-half of the total number of such non-official members.

Meetings of the Board.

16. The Board shall from time to time, make such arrangements with respect to the date, time, place, notice, management and adjournment of its meetings as may be determined by regulations made by the Board, subject to the following provisions, namely:—

(a) ordinary meetings shall be held once at least in every three months;

(b) the Chairman may, whenever he thinks fit, call special meetings;

(c) the proceedings of the meetings of the Board shall be forwarded to the Government in the department concerned.

CHAPTER III.

Functions and Powers of the Board.

Functions of the Board.

17. The Board shall perform all or any of the functions in respect of the following matters, namely:—

(1) to start, encourage, assist and run Khadi and Village Industries;

(2) to help members of the public by providing them with work in their homes and to give them monetary accommodation, if necessary;

(3) to organise co-operative societies for Khadi and Village Industries;

(4) to conduct training centres and to train people at these centres or at other centres outside the State of Hyderabad in Khadi and Village industries;

(5) to arrange for the supply of raw materials, tools and implements for Khadi and Village industries and for sale of the finished products;

(6) to arrange for publicity and popularising of Khadi and goods manufactured in village industries by opening stores, shops, exhibitions and the like;

(7) to endeavour to educate public opinion and cultivate in the public a liking for Khadi and Village industries and for the utilization of products of such industries;

(8) to seek and obtain advice and guidance in the subjects mentioned above by inviting experts;

(9) to undertake and encourage research in Khadi and Village Industries;

(10) to carry on such activities as are incidental and conducive to the objects of this Act; and

(11) such other functions as may be prescribed.

Powers of the Board.

18. The Board shall, for the purposes of performing its functions under this Act, have powers:—

(i) to acquire and hold such movable and immovable property as it may deem necessary and to lease, sell or otherwise transfer any such property:

Provided that in cases of such transactions pertaining to immovable property, previous sanction of the Government shall be obtained;

(ii) to appoint a committee for securing the efficient discharge of its functions and in particular for ensuring that these functions are exercised with due regard to the circumstances and requirements of particular local areas;

(iii) to incur expenditure and undertake works in any area in the State of Hyderabad for the framing and execution of such scheme for the purposes of this Act as it may consider necessary from time to time, or as may be entrusted to it by the Government, subject to the provisions of this Act and the rules made thereunder.

CHAPTER IV.

Office, Officers and Servants of the Board.

Office.

19. The Board shall have an office in the City of Hyderabad to which all communications and notices shall be addressed.

Officers and servants.

20. The Board may appoint such officers and servants as it considers necessary for the efficient performance of its functions.

Functions and duties of officers and servants.

21. The functions and duties of the officers and servants of the Board shall be such as the Board may determine by regulations.

Pay and conditions of service of the Secretary and other officers and servants.

22. (1) The pay and other conditions of service of the Secretary shall be such as may be prescribed.

(2) The pay and other conditions of service of other officers and servants of the Board shall be such as may be determined by the Board by regulations.

CHAPTER V.

Property, Finance, Contracts, Audit and Returns.

Transfer of property by Government to Board.

23. The Government may, for the purpose of this Act, transfer to the Board any of its buildings, lands or other properties whether movable or immovable, for use and management by the Board on such conditions and limitations as the Government may deem fit to impose.

Expenditure and contracts made before the establishment of the Board.

24. All debts and expenditure incurred, all contracts entered into and all matters and things engaged to be done by, with or for the Government, in connection with or for the purposes of this Act before and upto the date the establishment of the Board shall be deemed to have been respectively incurred, entered into or engaged to be done by, with or for the Board, and all suits, and other legal proceedings instituted by or against the Government in respect thereof shall be deemed to be instituted and continued as such by or against the Board, as the case may be.

Contracts by the Board.

25. All contracts to which the Board is party shall be signed by the Secretary on its behalf.

Fund of the Board.

26. (1) The Board shall have its own fund and all receipts of the Board shall be credited thereto and all payments by the Board shall be made therefrom.

(2) The Board may accept grants, subventions, donations, and gifts from the Government or a local authority or any private body whether incorporated or not, or an individual "or any body". This will include bodies like the All-India Khadi and Village Industries Board, for all or any of the purposes of this Act.

(3) All moneys belonging to the fund of the Board shall be deposited in such manner as may be prescribed.

(4) Accounts of the Board in banks shall be operated upon by such officers of the Board jointly or individually as may be authorised by the Board.

Application of fund and property.

27. All property, fund and other assets with the Board shall be held and applied by it, subject to the provisions and for the purposes, of this Act.

Annual programme and establishment. Schedule.

28. (1) In each year, on such date and in such form as may be prescribed, the Board shall prepare and forward to the Government—

(a) a programme of the work for the next year; and

(b) a schedule of the staff, of officers and servants already employed and to be employed during the next year.

(2) The programme shall contain—

(a) particulars of the Schemes which the Board proposes to execute whether in part or whole, during the next year;

(b) particulars of any work or undertaking which the Board proposes to organise during the next year for the purposes of carrying out its functions under this Act; and

(c) such other particulars as may be prescribed.

(3) The Government may approve and sanction the programme and the schedule of the staff of officers and servants forwarded to it with such modifications, if any, as it deems fit to make and the modification so made shall be binding on the Board.

Budget.

29. The Board shall, on such date and in such form as may be prescribed, prepare and submit to the Government, the budget for the next financial year, showing the estimated receipts and expenditure on capital and revenue accounts according to the programme and schedule of the staff sanctioned by the Government.

Sanction of Budget.

30. (1) The Government may sanction the budget submitted to it with such modifications, if any, as it deems proper to make.

(2) The Board shall be competent to reappropriate such amounts as may be necessary from one scheme to another or within sub-heads and minor-heads, subject to the condition that the cost of any scheme shall not exceed the amount originally sanctioned by the Government by more than one-third, without the approval of the Government.

Supplementary programme and Budget.

31. The Board may submit a supplementary programme and a supplementary budget for the sanction of the Government in the prescribed form and the provisions of sub-section (2) of section 28 and section 29 and 30 shall apply to such supplementary programme and supplementary budget respectively.

Annual Report.

32. The Board shall prepare and forward to the Government in such manner as may be prescribed an annual report within three months after the end of the financial year, giving complete account of its activities during the previous financial year.

Further reports on statistics and returns.

33. The Board shall, before such date and at such intervals and in such manner as the Government may, from time to time, direct submit to the Government reports on such matters and statistics and returns as the Government may require.

Accounts and audit.

34. (1) The accounts of the Board shall be maintained and an annual statement of accounts shall be prepared insuch manner as may be prescribed.

(2) The accounts of the Board shall be audited by a chartered Accountant or by such person as the Government may appoint in this behalf.

(3) As soon as the accounts of the Board are audited, the Board shall send a copy thereof together with a copy of the report of the auditor thereto to the Government.

(4) The audited accounts of the Board shall be submitted to the Government in such manner as may be prescribed.

(5) The Board shall comply with such directions as the Government may, after the report of the audit, think fit to issue.

CHAPTER VI.

Miscellaneous.

Directions by Government.

35. (1) In the performance of its functions the Board shall be guided by such instructions on questions of policy as may be given to it by the Government.

(2) If any dispute arises between the Government and the Board as to whether a question is or is not a question of policy the decision of the Government shall be final.

Members, Officers and servants to be public servants.

36. (1) The Members, Officers and servants of the Board, whether appointed by the Government or the Board, shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code, 1860 (XLV of 1860).

(2) (i) No suit or prosecution or other legal proceedings shall lie against any person in the employment of the Board for anything which is in good faith done or purported to be done under this Act.

(ii) Save as otherwise provided in this Act no suit or other legal proceedings shall lie against the Board for any damage caused, or likely to be caused by anything in good faith done or purported to be done under this Act.

Rules.

37. The Government may make rules for carrying out the purposes of this Act, and, in particular, and without prejudice to the generality of the foregoing power, such rules may provide for any matter which is to be or may be prescribed.

Powers to make regulations.

38. The Board may, with the previous sanction of the Government, make regulations consistent with this Act and the rules made thereunder—

(a) regulating its own procedure and the procedure of its committees, including the Executive Committee.

(b) defining the powers of the Secretary and other officers of the Board and

(c) providing for any matter on which regulations are to be or may be made under this Act.

Saving.

39. Nothing in this Act shall be deemed to apply to any industry deemed to be a scheduled industry under the Industries (Development and Regulation) Act, 1951 (Central Act LXV of 1951), or to affect any of the provisions of the said Act.

Repeal of Hyderabad Ordinance, II of 1955.

40. (1) The Hyderabad Khadi and Village Industries Board Ordinance, 1955 (II of 1955) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken in the exercise of any power conferred by or under the said Ordinance shall be deemed to have been done or taken in the exercise of the powers conferred by or under this Act as if this Act were in force on the day on which such thing was done or action was taken.